

Customer Service Division
P.O. Box 3300
Jefferson City, MO 65105-3300

STATE OF MISSOURI
DEPARTMENT OF REVENUE

Telephone: (573) 751-2836
Fax: (573) 522-1722
E-mail: salesuse@dor.mo.gov



RE: Missouri Tax ID:

Dear Taxpayer:

The General Assembly recently passed Senate Bill 30, which contains numerous manufacturing related sales/use tax exemptions. Specifically, effective August 28, 2007, Senate Bill 30 exempts electrical energy and gas, whether natural, artificial, or propane, water, coal, energy sources, chemicals, machinery, equipment, and materials used or consumed in the manufacturing, processing, compounding, mining or producing of any product, or used or consumed in the processing of recovered materials **from state tax and local use tax, but not local sales tax** (4.225% is the current state sales tax rate). Locally imposed sales tax continues to apply to these sales. The legislation also exempts from state tax and local use tax, but not local sales, these same items used or consumed in research and development related to manufacturing, processing, compounding, mining, or producing any product. These new exemptions are in addition to exemptions provided by Missouri statute to manufacturers and material recovery processing plants. The existing exemptions were not repealed or changed.

Any business that makes retail sales of qualifying manufacturing related items pursuant to Senate Bill 30 will collect only the local sales tax for these sales. For example, if your regular sales tax rate is 6.725%, you will collect 2.5% on the sale of qualifying manufacturing related items ($6.725\% - 4.225\% = 2.5\%$). Any customer wishing to claim this partial exemption must issue you Form 149, Sales/Use Tax Exemption Certificate before you collect the new lower rate on your sales to that customer. Form 149 is available on our website at www.dor.mo.gov/tax/business/sales/forms/

Your business has been identified as possibly selling one or more of these exempt items. The department has pre-registered your business to collect tax on qualifying manufacturing related items at the new lower rate. Your sales tax return for filing periods beginning August 1, 2007 will have an additional line below each business location with the text "MANUFACTURING EXE". Please report sales to manufacturers and material recovery processing plants claiming this exemption on this line. (See the example below).

BUSINESS LOCATION	CODE	GROSS RECEIPTS	ADJUSTMENTS	TAXABLE SALES	RATE (%)	AMOUNT OF TAX
301 W High ST JEFFERSON CITY	37000 051 0258	13,500	0	13,500	6.725	907.88
MANUFACTURING EXE JEFFERSON CITY	37000 051 MA01	11,200	0	11,200	2.50	280.00

If you have a specific business location that does not make retail sales of items contained in this new exemption, please mark through the "MANUFACTURING EXE" line when filing your return. (Subsequent returns will have the "MANUFACTURING EXE" line removed.)

For additional registration information, please contact the Taxation Bureau at the above address or call (573) 751-2836. You may also access our website at <http://dor.mo.gov/tax/business/sales/manuexempt/> to learn more about the exemption or to obtain the local sales tax rate for your business location.

Business Tax Registration
Taxation Bureau